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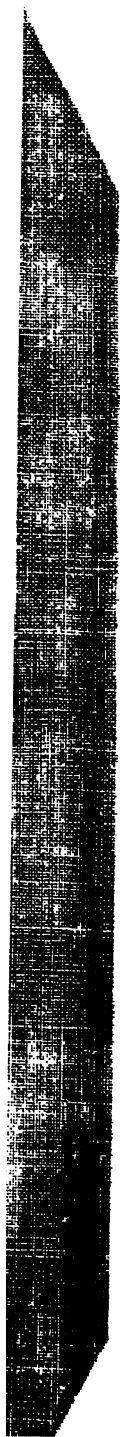
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PROBLEMS OF INDIAN POVERTY.

By S. S. THORBURN,
LATE FINANCIAL COMMISSIONER OF THE PUNJAB.

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PROBLEMS OF INDIAN POVERTY.

A PAPER READ TO THE FABIAN SOCIETY ON JANUARY 10TH, 1902,
WITH SOME ADDITIONS AND ALTERATIONS.

WHEN an Englishman, after long exile in the land of regrets, returns home for good, he finds, go where he may, that most families have some connection with India, and that incomes derived from the Indian taxpayers contribute largely to the prosperity of his country. He knows that the possession and successful government of India give England the first rank amongst nations, and that were she to lose what has been called "the brightest jewel in the Imperial Crown," she would fall from her proud pre-eminence to a position a little better than that of Holland.

Knowing all this, he might reasonably expect his countrymen to be interested in the welfare of the Empire to which they owe so much of their greatness and riches. Instead of interest he finds ignorance and indifference. If anyone will look through the files of our newspapers, or the headings of the articles in our periodicals for the last two years, he will have proof that Indian subjects have been rarely discussed in them. In fact, but for the new *Empire Review*, the weekly paper called *India*, and the *Asiatic Quarterly Review*—both of which latter have a very small home circulation—so far as the London Press and periodicals are concerned, India might almost have been non-existent. The measure of our people's interest in the well-being of India may be gauged by that of their representatives in Parliament. In August last, on almost the last day of the Session, when the Secretary of State for India made his annual budget speech in the House of Commons, out of 670 members only seven took the trouble to be present. When, then, I received an invitation from your Society to give an address on India, I accepted with pleasure, for it was gratifying to find that a serious and highly cultured body of Englishmen and English ladies, amidst the many nearer subjects which engage their attention, had time to feel a deep concern in the administration of our Empire in Asia.

The General Charge and its Four Counts.

The subject being large, I have thought it advisable to confine myself to that branch of it upon which two eminent Indian gentlemen, Messrs. Naoroji and Romesh Dutt, now resident amongst us, have for some time been endeavoring to arouse the attention of the public. It will be convenient to treat their opinions and pronouncements as identical, though in the mode of expressing them their methods are different, Mr. Naoroji's being dogmatic and even angry, Mr. Dutt's sober and persuasive. Put concisely, the general indictment against us as a nation is that we English proclaim that we

govern India for her good alone, whereas in reality we selfishly exploit her for our own advantage. In support of this charge the two gentlemen just named—and, indeed, most Indian reformers—put forward the following facts and considerations, viz. :—

(1) THE "TRIBUTE" OR "DRAIN."

Indian exports exceed by roundly thirty millions sterling her imports, the balance of trade against India all going into our own pockets in gold payments made in England on account of pensions, private remittances, establishment, interest on loans raised in England to meet unnecessary and unproductive expenditure in India, such as the cost of foreign wars, strategic railways, and the like. These home payments are referred to as "a drain without economic return," or shortly, as "tribute."

(2) COMMERCIAL POLICY.

Though India is a very poor agricultural continent, subject to devastating famines, and has consequently urgent need for home industries, the aim, or at least the effect, of our commercial policy from first to last has been to destroy her few industries and prevent the establishment of new manufactures, which may interfere with our trade. In furtherance of that policy we deliberately killed India's silk industry, and later attempted to ruin her struggling cotton factories by forcing the Government of India to repeal the cotton duties.

(3) LAND TAX.

To find money to pay the "tribute," and meet the expenses of India's unnecessarily costly system of Government, we exact, under the name of land revenue, from the poverty-stricken cultivators in a rigid and harsh manner the estimated equivalent in rupees of from 33 per cent. of the gross produce of the land to half the estimated rental, or, say, 20 per cent. of the produce.

(4) EXCLUSION OF INDIANS.

Contrary to the Queen's Proclamation of 1858, and to solemn pledges made from time to time, we practically exclude fully qualified Indians from all good administrative posts, reserving them for ourselves.

To redeem our pledges, and rule India for India's good, we are called upon to reduce the "tribute," to permit India to establish her industries in her own way in accordance with the accepted teachings of our leading political economists, to lower the land tax, to open high administrative appointments to capable Indians, and so gradually lay the rails for "self-government under British paramountcy."

The General Charge an Exaggerated Truth.

Taking the points in the order given, and first dealing with the general charge, it must be conceded that there is a good deal of exaggerated truth in it. As a nation we are, perhaps, inclined to self-righteousness, to calling attention to our virtues, our altruism,

our disinterestedness in carrying more than our share of what has been called "the white man's burden." Naturally we do not see ourselves as others see us. Looking back over our whole connection with India, it shows, I think, progression on our part from narrow to what I may call enlightened selfishness. For long years some of our best selves, under the name of the East India Company, ruled a large part of India on commercial principles, the chief aim being dividends. As the Company's dominion expanded, we realized that being a handful of foreign sojourners, we could not govern a continent except with the goodwill of its inhabitants. With a view to secure that goodwill, we gave India what was most likely to content her people—impartial justice internally between man and man ; but externally we subordinated India's interest as a whole to our own. In furtherance of these principles, we strangled those of our dependency's industries which clashed with England's—India's silk, calico, and muslin trades, for instance—and we rigorously excluded outsiders from sharing in the profits of our Indian estate. After the Mutiny, when the nation collectively became directly responsible for the good government of India, we opened the country to all comers, and gave Indians as full a measure of justice as was compatible with the superior claims of our own people. With these objects in view, we completed the destruction of the hand-loom cotton-weaving manufactures of India, and insisted on the abolition of the duty on imported cotton goods, and not until the Indian Treasury was empty and the whole Press of India, English and Vernacular, united for once in history, condemned with one voice the selfishness of our proceedings, did we in 1896, sanction the re-imposition for revenue purposes of very light cotton duties. It was the coercion of shame and fear, and not the pricks of conscience, which induced Parliament to accept what all India was demanding—shame at the *exposé* of our selfishness, fear that persistence in refusal would alienate from us not only Indians but Anglo-Indians as well.

Again, in the domain of foreign policy, India for many years was treated by both Conservatives and Liberals as a football to be kicked about in the great game of vote-catching. As India not England had always to pay the bill, consequences mattered little to either side, provided that the play was pushed to a win. Happily, there is now a reasonable hope that in future the treatment of Indian affairs will be kept outside the comparatively unimportant interests of parties. If the hope be realized, we may expect that in future our great dependency will receive fair play from both sides.

If my view is right, namely, that our actions towards India are now governed by enlightened selfishness, I see no reason why as a nation we should be ashamed of the fact. It would, to my thinking, be more satisfactory if we announced the truth in plain terms, instead of, as is the habit of our statesmen and high officials generally, endeavoring to hide it under a cloud of high-sounding declarations which mean little. After all we are not Pharisees, but hard-headed Anglo-Saxons. As self-interest is the universal lever, and England not India is the predominant partner, it is natural that

when the interests of the two countries cannot be reconciled, ours should prevail. It should never be forgotten that were India held by any other European power, there would almost certainly be more selfishness and less light in her administration. That such would be the case is a reasonable presumption from what we can learn of the doings of France in Tonquin and Madagascar, Holland in Java, Belgium in the Congo Free State, Russia in Central Asia, and indeed, of the rival Western Powers generally—not omitting ourselves—in China.

(I) THE "TRIBUTE" DEFENDED.

I now pass to the consideration of the various counts under the general indictment. The first was the "drain without any economic return" of thirty millions annually to England. Whatever the correct amount may be, there is no doubt that a large part of it is a drain to India. It is self-evident that so long as India is ruled by a handful of sojourning foreigners, the whole of their annual savings and pensions, and the profits made by their merchants, must be so much wealth withdrawn from India. The aggregate of these items accounts, I believe, for rather less than half the estimated drain. There remains the interest on loans raised in England for works and wars in India, the cost of the India Office, and the like. A part only of these charges can fairly be called a drain. This drain, or "tribute"—which is called by its apologists the cost of "insurance"—must be accepted as part of the price paid by India for the *pax Britannica* secured to her by her dependence upon England. It is inevitable, unavoidable, and must, I fear, be endured. Regarding the first group of items, it is unreasonable to expect that Englishmen, whether officials or merchants, will exile themselves in a bad climate for the best years of their lives except for their own good. If so, it is nonsense to assert, though the proposition has, I believe, been seriously advanced by responsible statesmen, that we rule India for her good alone. We did not conquer India from philanthropic but from selfish motives. We hold India now for her good certainly, but for our own as well. These facts do not prevent the English officials who administer the country doing their best, each within the scope of his powers, for the good of the Indians over whom they exercise authority.

"The Principle of Enlightened Selfishness."

Not only are the limitations of the individual official great, but even those of the body which constitutes the Government of India. That body is subject to the will of the British Parliament, and over and over again has that will been exercised unwisely or unjustly for India. I have already referred to England's commercial policy towards India. I might additionally mention the recent case of the forcing on India of the Opium Commission and the attempt to saddle the whole cost on that country, also the home obstruction which prevented Lord Elgin's Government from passing the necessary measure, since passed by Lord Curzon's Government, the

countervailing duty upon imported sugar. I might also mention a recent case as an amusing instance of the way in which the fear of losing votes exercises pressure upon the Secretary of State for India. Some years ago the cotton-spinning and certain other interests in this country, having discovered, I suppose, that Indians worked on Sundays, had their consciences awakened to the habitual desecration of the Sabbath out there. It was contended that as Sunday was a holy day in England it should at least be a compulsory holiday for factory hands in India. The agitation had considerable support. In due course the Secretary for India sent a despatch to the Government of India drawing attention to the sin of Sabbath-breaking in India, and calling on him *quâ* factory hands to conform to the rule in England, or give reasons for not doing so. Amongst others, I was consulted as to the arguments for and against compulsory closing on Sundays. I suggested that as Indians were mostly Hindus and Mahometans, and invariably abstained from work on their own holy days, were Sundays also added, it would hardly be worth while to keep factories open at all, as the working days in the year would be reduced to something like two hundred in all. I hinted—no doubt, indiscreetly, as we should not judge others—that probably the cotton-spinners of England had initiated the Sunday-closing movement for India more from business than religious or sympathetic motives.

(2) COMMERCIAL POLICY.

I pass now to the second count, the selfishness of our commercial policy towards India as exemplified in the killing, or attempted killing, of various industries and the action taken in regard to the cotton duties. I have already touched upon this subject. I agree generally with what Mr. Romesh Dutt said to you about it in July last. There is no doubt that in the past England treated India commercially as badly as she did Ireland, but that now, as with Ireland, so with India, she wishes to be as fair as her own interests will permit her to be. The compromise effected in 1896, when moderate cotton duties were reimposed with a countervailing excise on Indian cotton manufactures of certain standards, was a reasonable one, though a higher duty on imported cotton piece goods would have done more justice to India. It is, however, unfortunate that to appease the Lancashire vote the Government of the day allowed it to be understood that the duties were for temporary revenue purposes only, and would be repealed as soon as the financial position of India was again satisfactory. Though that will not be before the Greek Kalends, we shall probably a few years hence, if not sooner, see strong pressure put upon the Secretary of State for India to insist once more upon the abolition of the duties. If so, there will again be serious risk that the interests of India may be subordinated to the electioneering manœuvring of one or both of the parties bidding for power in England.

(3) MODERATION OF LAND TAX.

The next count is that the land tax is so heavy and so rigidly collected that it practically leaves no margin of profit to the

majority of the Indian peasantry. I may here remark in passing that had the salt tax been also attacked, Messrs. Naoroji and Romesh Dutt would have made their case all the stronger, for the salt duty is a tax on a necessary of life, which falls heavier, both absolutely and relatively, on the poor peasant than on the rich man, because every cultivator keeps cattle, and cattle eat salt, whereas the rich man does not keep cattle. Why salt was overlooked I do not know. As regards the land tax the remedy suggested is, of course, that it should be reduced, and fixed once for all as was done in 1793 when Bengal was permanently settled. Mr. Romesh Dutt has made a special study of this branch of the general subject, but excludes from his argument the justification for the exaction by the Government of a large part of the profits of cultivation from the land-holding classes. The real facts, as I read them, are as follows:—From prehistoric times the State of India has regarded itself as the universal landlord, and has taken from the cultivators as much of each crop as it was politic or possible to extract from them. As we achieved dominion, we considerably reduced the share to be taken, converted it into rupees, and enforced payment on fixed dates, crop or no crop. We call our demand land revenue, though historically it is rather State rent. Except during the period when the craze for permanent settlements and the enabling assesses to redeem the land tax was in the ascendant, our practice has been to revise the land revenue assessments every 20th or 30th year, in order to meet the changing conditions of prices, rents, area cultivated, classes of produce, and so forth. Owing to those shifting conditions, a permanent settlement—on a cash basis at least—is impracticable. In point of fact, the now lauded permanent settlement of Bengal was due to an English landlord-Governor-General's ignorance and folly, for it elevated revenue-farmers and middlemen into landlords, deprived some twenty millions of cultivators of all opportunity to establish their tenant-rights, and the Government of India of their just claim to revenue enhancement as cultivation extended and prices appreciated.

The loss to the Government of India by the permanent settlement of Bengal now amounts to about five millions sterling annually. I shall have something more to say on the subject of land revenue assessments presently.

(4) WHY INDIAN ASPIRATIONS FOR GOOD APPOINTMENTS ARE NOT BETTER MET.

I now pass on to the fourth and last count, the preference shown by the Government for Englishmen over qualified Indians in the matter of well-paid administrative posts. As some classes of Indians, particularly Bengalis, Mahratta Brahmins, Kashmiri Pandits, and Parsis, are endowed with quick, clear, logical minds, and we give them university educations, it is natural that they should view with dissatisfaction the administrative monopoly enjoyed by Englishmen. Though the common portal of entry into the ranks of the covenanted Indian Civil Service is open to Indians, equally with Englishmen,

the conditions of the examinations held in London—arranged partly no doubt on the principle of enlightened selfishness which actuates all our policy—so handicap Indians against success that few compete. There are, however, hundreds of good appointments filled by uncovenanted civilians—mostly at present Englishmen—for which Indians are eligible and educationally fit. Moreover, there is no *a priori* reason why the lists of offices just now reserved for members of the Indian Civil Service should not from time to time be revised so as to open more to Indians. Why then are Indians not better represented in those branches of the Service for posts in which they are or might be eligible? I think one reason is that all experience shows that education in India qualifies an Indian rather for fine judicial than comparatively rough executive or administrative work. Accordingly, most of the courts of first instance, and an appreciable and slowly increasing percentage of those with superior powers, are composed of Indians. In the revenue and executive line, roundly 80 per cent. of appointments with emoluments not exceeding £500 a year are similarly filled, and in respect of those carrying high salaries the Government is from time to time cautiously augmenting the small number open to Indians, and bestowing them upon Indians when satisfied of their fitness. The truth is, in my opinion, that unless an Indian, in boyhood, experiences some years of the invigorating training enjoyed by English boys, he is inclined in manhood to be deficient in what I may call grit and principle, qualities peculiarly brought out by English home influences and the public school system of our country, but as yet only embryonic in the two or three Indian Etons known as Chiefs' Colleges.

It is this defect in character, due perhaps to heredity and environment, which must for long militate against the full employment of Indians in executive appointments of large responsibility. Further, owing to the local influences affecting Indians—influences of caste, religion, family, property, and in some respects to a different standard of morality—or shall I call it of "good form"?—to that obtaining amongst English gentlemen, it is very difficult for an Indian—outside his own province at least—to carry out his duties as an executive officer without a tendency to bias in their performance. Outside his own province the people are inclined to look upon him as a foreigner, whilst suspicious of him as an Indian. Even in the Bombay Presidency, the home of the Parsis, since they left Persia, the people, *i.e.*, the villagers, regard Parsis as outsiders. It is the same with that able and generally upright class, the Kashmiri Pandits. As to Bengalis, the class who have more than any other assimilated English learning, I think Mr. Romesh Dutt himself would agree with me that, had he been a district officer or commissioner in the Punjab, the Punjabis would not have regarded him as a fellow-countryman. There are a few Bengalis in the Punjab holding positions higher than clerkships, and very able men they are as judges and practising lawyers, but to excel in those lines requires qualities quite different from those necessary for success as a district officer—sympathy, independence of character, power of rapid deci-

sion, ability to gain the confidence, and love, if possible, of the poor and illiterate masses. All these are qualities which the best district officers possess, but most of them are either unimportant or positively detrimental in a judge. Rightly or wrongly, be the explanation what it may, the peasantry, who have a sound discernment as to the best stamp of men to be put in authority over them, antecedently trust English Sahibs but distrust Indians. Apart from the advantage of belonging to the ruling race, Englishmen have certain other points in their favor which Indians can rarely possess, *e.g.*, exemption from every kind of local influence. So careful is the Government that its English officers shall be above suspicion in this respect, that none of them are permitted to hold land or take any part in any business enterprise in the province in which they serve.

Though such is my opinion, I yet recognize that the larger employment of educationally qualified Indians in the more highly paid posts under the Government of India must shortly be accelerated. The pressure upon the Government to this end is annually growing greater—about 16,000 candidates present themselves each year for matriculation in the Indian universities, roundly, 6,000 succeed, and nearly that number year after year obtain university degrees from F.A. to M.A.

In addition, the Indian National Congress movement is gaining solidarity and influence. The demand then of educated Indians to be at least tried in the higher administrative appointments, at present reserved for Englishmen, will soon be irresistible. Provided that the experiment be first introduced in a quiet homogeneous advanced province like Madras, I see no reason why the door to advancement should not be widely opened to "young India."

"Our System"—The Root of all Evil.

I now come to my main thesis—the poverty of the masses, the comparative wealth of some of the classes, and the reasons thereof.

In my opinion it is not the "tribute," not the weight of the land tax, not the salt duty, not England's commercial policy, which are chiefly responsible for the pauperization of rural India. All these causes may be contributing factors—some certainly are—but the root cause of the increasing poverty and self-helplessness of the Indian peoples may be most comprehensively expressed by the term our "system."

We found the people generally very poor, but as there were no technical law courts, no hard and fast laws, and little or no credit, the peasantry were at least unindebted and living, as their forefathers had, in village communities, the individuals in each being all members of what may be called a mutual-aid association. Our "system" soon changed all that. By preparing a register of titles for each village and for each cultivated plot in the village, and limiting the land revenue demand thereon to a moderate fixed sum, we created individual property and credit, and encouraged, or in short seasons constrained, the unsophisticated owners to borrow. We thereby converted each petty village grocer into a money-lender.

We further, in all our legislation, treated Indians of all classes, though differing from each other as widely as the lowest types of human beings can from the highest, as if they were all alike keen men of business, and we flooded each province with hard technical laws on Western models and law courts. As the litigants, especially the debtors, were ignorant of the niceties of the law, practising lawyers were called into being. The supply was equal to the demand, and soon legal practitioners, from the barrister-at-law to the humble Mukhtar, swarmed in every town, and competition amongst them has been for years so close that in their hunger for fees they even waylay rustics, if not at the railway station, at least at the approaches to our Courts. As the contract and other laws were exact and exacting, every lender soon became a Shylock, and as the courts were courts of law and not of equity, and the judges were overworked, and most of them of money-lending extraction, the borrowing masses have fallen easy victims to the forces arrayed against them. Each famine that has occurred has submerged more and more of the peasantry, and as famines have of late years been increasing in frequency and intensity, more than half of the agriculturists of British India—a few favored localities excepted—are now in about as miserable a plight as human beings not officially designated slaves or serfs can be. Our "system" has disintegrated their ancient village commonwealths, involved a majority of the members in hopeless indebtedness, and transferred the proprietary or cultivating right in their best fields—the worst are worth little to usurers—to their creditors. This is not an exaggerated picture. It is the truth; and yet, paradoxical as it must seem, it is equally true that, except for the checks caused by famines, the official statement, annually repeated, that India is year by year increasing in prosperity, is correct.

The "Juggernaut Car" of Western Progress.

To the cold calculating eye of the statistician, whether Secretary of State for India, or bureaucratic head of a local government, our great dependency is a unit, progressive or retrograde, according to the volume of the output. So viewed, as there is annually an increase in production, trade, revenue, litigation, cultivated area and railway mileage, there is consequently annual growth of prosperity. To the sympathetic discernment of the disinterested statesman, the man who considers producers as well as production, India contains not one unit, but 300 millions of units, each a struggling atom of humanity, lying prostrate and bleeding under the wheels of the Juggernaut Car called progress on Western lines. If a country's prosperity is measured by the material volume of its wealth, a people's depends on the width of that wealth's diffusion. India, for an agricultural country, has wealth, but as our "system" has accumulated most of it in the hands of a comparatively small number of persons, the people, the masses, are poor sweated creatures. A part of the system, which has had these unfortunate consequences, is that by which the land revenue demand—in itself moderate except,

I understand, in parts of Madras and Bombay—is levied on fixed dates immediately after the time of harvest. As, however, the crops vary with the rains, and the rains are sometimes copious, sometimes short, and sometimes a total failure, it follows that agriculturists already in debt and even free men, whose labor and seed grain are lost to them in bad years, are then forced to borrow to pay their land revenue or feed themselves, or both. In such lean years the rate of interest charged varies with the borrower's necessity from 36 per cent., if the security is good and the borrower not quite a simpleton, to 100 per cent. if it is indifferent or the borrower is desperate. In such circumstances I have known peasants sell or mortgage valuable ancestral land, literally for a mess of pottage, *i.e.*, for a few sacks of corn, all perhaps taken from the debtor the year before as interest on some pre-existing debt. It is no wonder, then, that under our "system," with the population increasing by one per cent. per annum, *i.e.*, by three millions each average year, with poorer and poorer rain lands being annually subdued to the plough in order to feed the redundant mouths—and therefore increasing the area and frequency of famines—, with the gross income of an agricultural family of four or five persons amounting in normal years to not more than six or seven pounds sterling, with fixed land revenue and salt tax to pay, whether the crops be good or nothing at all, and with debts doubling themselves in two, or at most three, years, it is not to be wondered at, I say, if under such circumstances the small assets of the agricultural masses are passing to the usurers and big men of India at a rate which in another generation or so will render the peasantry entirely self-helpless in the hands of their parvenu landlords. Bad though the condition of the cultivating masses in India may be, they have reason to be thankful for some blessings rarely vouchsafed to struggling agriculture elsewhere. In India the climate is kindly to poor men, lean years are less frequent than fat years, and when starvation threatens the Government does the best possible to feed all the destitute, whether counted in lakhs or millions. If we compare these ameliorations in which all Indians participate, with the conditions obtaining in other heavily-taxed agricultural countries, say, in Russia and Italy, we shall see that Indians are better off than their fellow-toilers in those two countries. In Russia the winter is long and hard, famine is never absent from some vast area, and relief machinery is at best embryonic. In Italy, between exactions by the State and by the landlords, the cultivating classes are in a chronic state of semi-starvation and desperation.

Returning to the case of India, it is a strange irony that during the Victorian era, under our well-intentioned, enlightened, and superficially impartial rule, our most extensive economic achievement has been the destruction of India's ancient village communities and the practical enslavement of half of their members under a politically valueless class, who, up to fifty years ago, were the servants of their present servants. By "politically valueless" perhaps I should explain that, as most of the new landlords are non-agriculturists, and depend on the terrors of our exotic and over-elaborate

legal system for the collection of their rents, did the force maintaining that "system" lose power, they and the system which has created them would disappear together. Non-agricultural landlords are, therefore, a source of weakness not of strength in the body politic.

"If right in your facts," some may say, "let the Government at any cost retrace its steps, simplify the laws and procedure affecting agriculturists, give them more equity and less law, and limit their powers of alienating agricultural land to money-grubbing non-agriculturists. As for the land revenue, be it rent or land tax in origin, poor men must live; let the Government reduce and elasticize it." These certainly are the obvious remedies, and some of them Lord Curzon and his Council are tentatively beginning to apply. It is, however, very difficult to recast a working system, particularly when the moneyed and legal classes of India—the beneficiaries interested in preserving existing conditions—are solidly opposed to any drastic changes. Besides, too, we must remember that though poor men must live, the Government has also to live, and unless heavy import duties can be imposed on cotton piece-goods, and the like—a measure which India's dependence on England makes impracticable—no one yet has suggested any substitute for the revenue now drawn from agricultural land and salt.

Probable Effect of a Large Reduction in the Land Revenue Assessments.

Regarding that last relief, the reduction of the land revenue demand, it is worth noting that under our system our very generosity in exacting less from land-holders than was the habit of the Governments which preceded ours, has been a prominent cause of the indebtedness and undoing of the peasantry. So much so is this the case that it is a question whether peasant agriculturists as a body would not be better off, and less discontented, if the land revenue were enhanced rather than reduced. Our "system" so operates that it enables money-lenders to easily exploit the ignorant poor, hence were the Government not only to reduce but to surrender altogether its land revenue, I think the only result would be that in a few years the money foregone would be in the strong boxes of the usurers. This assertion will be challenged by those who insist that over-assessment is a potent cause of the poverty of the people. I happen to know a case in point, which goes far to support my forecast as to the almost certain effects of further reducing our assessments, so long, that is, as the rest of our system is maintained.

Two important Native States in India, Alwar and Bhurtpore, have recently been settled by a civilian friend of mine. The lands of many of the villages in those States are interlaced with those of villages in British territory. All the peasantry are of the same brotherhood or tribe—Meos. The only difference is that those belonging to Alwar and Bhurtpore pay acre for acre about double as much land revenue as their brethren inside our boundary lines. Under these circumstances, peasantry, production, quality of soil,

sources of water supply, in short, all the conditions of agriculture being identical, it would be reasonable to suppose that our Meos would be more prosperous and contented than those who are so much heavier taxed in Alwar and Bhurtpore. The exact contrary is the case. Our Meos are indebted, partially expropriated, and utterly miserable in the grip of the money-lenders and of our "system." On the other hand, their brethren in Alwar and Bhurtpore, though poor, are unindebted, the sole right-holders in their villages, and each village is still a vigorous self-governing community. I do not instance this case as a plea for high assessments, but as proof of my assertion that until our system is thoroughly reformed—adapted to the wants, circumstances, capacities of people who in worldly wisdom are still children, and consequently should be treated as children and not as business men—the lighter the rating on land the easier the road to ruin.

The present Government of India has officially admitted the evils resultant from our "system," and has begun a series of experimental reforms, but the opposition is strong, and in any case progress will be slow, and behind all is the discouraging fact that for more than seventy millions of the sufferers it is too late for any change of system to be beneficial.

Some Relief Nostrums Adopted by the Government.

Having criticized freely what I have called the "nostrums" of others, I shall conclude by giving in briefest outline some of my own, beginning with those of the Government of India, which are in part the outcome of inquiries and suggestions made by me in 1896.

As our "system," by giving full ownership of their holdings to the occupiers thereof, created assets readily convertible into rupees, and made borrowing easy, the peasantry soon became poor, their creditors rich. In short seasons the "system" compelled them to take advances to pay their land revenue and procure food, both necessary purposes. At other times they procured loans for what may be called luxuries, marriages, funerals, law suits, and the like. Thus, by degrees, a considerable percentage of them dropped from the position of land-holders to that of tenants, whilst a still larger percentage became seriously or hopelessly indebted. Such being the position, the first thing to do was to curtail agricultural credit, and so prevent the simple peasants from ruining themselves and their descendants. This object was partially effected in 1900 by disabling agriculturists in the Punjab and later in Bombay from permanently alienating their interests in revenue-paying land to the money-lending class. Temporary alienations, up to a term of twenty years, by leases and the simpler forms of mortgage, are still legal without restriction in the Punjab, but at the end of the period the land returns unencumbered to the alienor's family. How this twentieth century revival of the ancient Jewish Jubilee will work will depend on the comprehensive simplicity and good sense of the executive rules framed for carrying out the provisions of the new Act. Further, the very precise and complicated civil law of British

India, particularly that part of it contained in the Contract and Specific Relief Acts, has recently been amended in the interests of agriculturists, and the courts are now empowered to go behind the letter of a contract and give decrees, to use the old formula which used to bind our courts "in accordance with justice and good conscience"—in other words, where agriculturists are concerned our courts are now courts of equity, and the value of the change will depend on the broad common-sense and fair-mindedness of the judges.

Others Recommended by Myself.

These instalments of reforms are, I think, steps in the right direction, but if the Government now, as seems the intention, marks time whilst waiting to see the effects of its experimental legislation, it will be for the unfortunate agriculturist a case of *ægrescit medendo*—he gets sick by being doctored. His physician, by reducing his credit, yet in hard times compelling him to borrow to pay his fixed land revenue, will have killed him. All the world over agriculture occasionally requires the help of loans. In India the long droughts, small holdings, and narrow means of the holders, make borrowing more frequently necessary than in other countries. Further, as in India, in addition to her other difficulties, the Government demands a fixed payment twice a year for each field, crop or no crop, the breaking-strain is soon reached.

ELASTICITY FOR FIXITY IN THE LAND REVENUE SYSTEM.

What is necessary, then, is that the Government should in drought periods grant full and timely remissions of land revenue of right to all peasants and yeomen cultivating rain lands. On the other side of the account there is no reason why at the same time the Government should not recoup itself for its sacrifices in rain tracts by levying enhanced rates on irrigated lands, particularly those under State canals. During the last five years of famine prices the happy owner of such lands as, for instance, those commanded by the new Chenab Canal, some two and a half millions of acres have reaped constant crops and sold them at double or treble the price on which their fixed assessment rates were based. A sliding scale of rates to work automatically, according to character of harvest and the harvest prices obtaining, could easily be devised without much change in the revenue system of India. It would create that elasticity, that adjustment of each season's demand to the character of each harvest, which the system at present lacks, and the want of which now constrains the Government to be tardy and niggardly in granting cropless famine-stricken owners adequate remissions of revenue.

THE SUBSTITUTE FOR THE MONEY-LENDER MUST BE THE GOVERNMENT.

Even were this improvement in our system introduced, borrowing would still be necessary in time of prolonged crop failure. The Government is now attempting to find a substitute for the partially

established money-lender by inducing groups of public-spirited to come forward and start Land Banks, or, as they are to be called, Mutual Aid Associations, somewhat on the Raiffeissen model. The endeavor to shift its own responsibility on to the shoulders of the individuals is, I think, foredoomed to failure, because under the "system" grasping individualism has taken the place of the old village communism, which flourished in India from prehistoric times. The present reign of hard Western law destroyed it. Eventually I am convinced, the Government will itself have to recognize, as it is, as Lord Curzon recently called it, "the largest landlord creation," it must act up to its duties as a good landlord, and will make advances to cultivators to tide them over periods of stress due to the vagaries of the rainfall.

AGRICULTURISTS AS JUDGES IN AGRICULTURAL LANDS.

The honest substitute for the usurer found, the land revenue system elasticized, the next most important relief to agriculture will be the revision of our methods of recruitment of the civil courts of instance. At present they are almost all Indians, some appointed as rewards for good service as clerks in Government offices, others on the basis of their literary attainments and success in competitive examinations. As a consequence most of the judges who hear agricultural causes are town-dwellers drawn from the commercial classes. They know nothing of the rural economy of the villages, and whatever sympathies they have are with the money-lending classes. Long as they had to administer hard law their work was almost mechanical, but now that they are courts of equity, and required to see behind the contract, it is essential for justice that the courts should have practical knowledge of the great borrowing masses, the peasantry. This object will perhaps be best secured were the Government to admit as judges a certain proportion of agriculturists in each province, giving the appointments by nomination, subject to passing of a qualifying examination, and to confirmation after a probationary period. I have reason to believe that if Lord Curzon had a clean slate he would carry out most, if not all, of these suggested reforms. Unfortunately, his time is short and the slate is written over, much of it with indelible ink. Official conservatism, vested interests—particularly those of the money-lenders and lawyers—and the dead weight of the working system will, I fear, be more powerful than Lord Curzon and the small band of reformers, whose earnest desire it is that the profits of cultivation should go to the producers instead of to the usurers.

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